devastating cuts. I think very few people would have thought that possible. So I congratulate my Republican colleagues for their apparent victory. But this Senator is going to fight back. I was not elected to the Senate to make devastating cuts in Social Security, in Medicare, in Medicaid, in children's programs, while I lower tax rates for the wealthiest people in this country. That is not what I was elected to do, and I do not intend to do that.

So I hope the American people get engaged in this issue, stand, and demand that the Congress pass a fair and responsible deficit reduction program, not what we are talking about today.

With that, I yield the floor.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mrs. MURRAY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

MILCON APPROPRIATIONS

Mrs. MURRAY. Mr. President, I come to the floor this afternoon to oppose the amendment offered by the Senator from Oklahoma which would undo decades of policies on how we treat veterans who are suffering from diseases associated with Agent Orange exposure. That violates the promise we have made to a generation of veterans. The legacy of Agent Orange exposure among Vietnam veterans is one of tragedy, roadblocks, neglect, pain, and then more roadblocks. It is the legacy of our military spraying millions of gallons of poisonous herbicide indiscriminately, without any consequences or without any repercussions.

At the time of the Vietnam war—and for far too long after it—the U.S. Government neglected to track Agent Orange exposures. Then, in the decades following the war, our government stonewalled veterans who developed horrible ailments of all kinds from those exposures.

To further compound the problem, for decades our government also failed to fund any research on Agent Orange and any other toxins that Vietnam veterans were exposed to. Those mistakes, those decades of neglect, have a cost. It is a cost to the veterans and their loved ones, a cost to the government that sent them to war, and a cost to all of us as Americans. It is a cost that, even in difficult budget times, even with our backs against the wall, we cannot walk away from.

I am not here to question any Senator's commitment to our veterans, but what I am here to do is to question the standard by which this amendment says they should be treated. This amendment that was offered says we should change the standard by which we have judged Agent Orange cases for two decades.

Currently, Vietnam veterans are presumed to be service-connected when the VA Secretary determines that a positive association exists between exposure to Agent Orange and a certain disease. One of the reasons Congress chose that mechanism is because it was impossible for these veterans to prove their exposure to Agent Orange caused their cancers or other diseases. These veterans were exposed decades ago. They don't know where exactly they were exposed or how much they inhaled. However, under the amendment of the Senator from Oklahoma, Vietnam veterans would be asked to now prove the impossible. They would be asked to prove they would never have gotten cancer or heart disease or any other disease or condition if not for Agent Orange.

Vietnam veterans who have diabetes or prostate cancer or lung cancer or blood-borne diseases would be denied care and benefits under this amendment. Not only would this be a new hurdle Vietnam veterans could never overcome, it would change the rules midstream. It would literally treat Vietnam veterans whose diseases have already been presumptively service-connected different than those whose diseases have not yet been positively associated with Agent Orange exposure.

I will not deny that compensation for exposure is a difficult issue and one that we continually have to look at. We have grappled with this issue in relation to Vietnam veterans and exposure to Agent Orange. Today we continue to deal with this issue as Iraq and Afghanistan veterans come home with illnesses potentially associated with their exposure to toxins released from burn pits or other environmental exposure.

Ultimately, we have to look at the facts with reason and compassion and weigh the years of our military's failure to track these exposures, the inevitable existence of uncertainty, and the word of our veterans. That is exactly what we have to do.

On the one hand, we have thousands of veterans who have come forward and believe their cancers and ailments were caused by an exposure to a known killer. We have studies that show veterans who were exposed to Agent Orange are more likely to have heart disease, cancer, or other conditions. We have the Institute of Medicine that has recommended giving veterans the benefit of the doubt, and we have the Secretary of Veterans Affairs who has decided that we must move forward to provide compensation to presumptively service-connected veterans exposed to Agent Orange for cancer and heart disease.

On the other hand, we may have a compelling fiscal case, but the Senator from Oklahoma hasn't presented one shred of evidence that Agent Orange does not cause heart disease, cancer, or any other condition. What has been presented is an amendment that asks veterans to wait, wait, wait until there is more scientific evidence.

Well, these veterans have been waiting for 40 years. How much longer should they wait?

The Secretary of Veterans Affairs decided that the time for waiting was over. I ask that we respect and support this decision, and that we also remember that even in the midst of this whirlwind debt and deficit debate, we have made a promise to veterans, one that doesn't go away.

Vietnam veterans have paid enough for that war. They should not end up paying for our debt. It is us who owe them a debt.

I yield the floor.

The PRESIDING OFFICER. The Senator from Alabama is recognized.

Mr. SESSIONS. Mr. President, I ask unanimous consent that Senator HATCH and I be allowed to participate in a colloquy.

The PRESIDING OFFICER. Without objection, it is so ordered.

TAXING AND SPENDING

Mr. SESSIONS. Mr. President, many of our good colleagues like to suggest our Nation has historic deficits because the American people are not taxed enough. Some claim the so-called Bush tax cuts are the culprit, but the numbers tell a different story. In fact, these tax cuts were fully implemented in 2003. Annual revenues have increased steadily from $1.782 trillion to $2.524 trillion in 2008, and they increase every year, for an increase of more than 40 percent. That is double the rate of inflation after the tax cuts took effect.

In fact, since the recession of 2008 and the weakest economic recovery in modern history, revenue has now declined. That makes sense. With high unemployment there are fewer taxpayers and, naturally, revenue declines.

Going forward, however, the CBO projects revenue as a share of the GDP will rise to 18.4 percentage points of GDP by 2021. That is assuming extension, not elimination, of the 2001 and 2003 tax reductions. Revenue is therefore projected to return to its historic 18.4 percent average.

It would seem, then, that the American people are already taxed enough to finance a government whose spending has grown wildly out of control. The real problem is, while revenue will return to its historic average, if nothing is done to slow spending, annual outlays will increase from $3.7 trillion today to $5.7 trillion by 2021, for an increase of more than 50 percent. As a share of GDP, spending will remain, on average, above 23 percent of GDP. That is nearly 3 percentage points above the historic average.

Mr. HATCH. Mr. President, I could not agree more with the Senator's point on the real driver of our deficit and debt. We have this debt because government is spending too much. But this is not a matter of personal preference; this is an indisputable and empirically verifiable fact. The systemic problem this country faces is too much spending, not too little tax revenue.

I understand our friends on the other side of the aisle are in a tough spot. They know this, but their left wing base refuses any changes to the spending programs driving these deficits and debt. They don't want to scare off middle-class Americans by recommending the tax increases necessary to close the gap without major changes for spending programs.

When it comes to offering any real plans, they have resorted to burying their heads in the sand, as indicated on this photo. They choose to ignore the real problem. They hope their friends in the media do the same thing—ignore the fact that they are ignoring the problem. As you can see from this chart, the problem is spending.

Mr. SESSIONS. Our friends on the other side of the aisle are almost exclusively focused on hitting up the taxpayer for more revenue.

Mr. HATCH. That is right. They are talking about revenue, but the tax increases they are recommending are more distracting than illuminating. I think it is fair to say that all of the talk by the President and his congressional allies about corporate jets and yachts is a classic red herring. On this chart, it indicates this:

> The name of this fallacy comes from the sport of fox hunting in which a dried, smoked herring, which is red in color, is dragged across the trail of the fox to throw the hounds off the scent. Thus, a ''red herring'' argument is one which distracts the audience from the issue in question through the introduction of some irrelevancy.

Mr. SESSIONS. Well, we use this turn of phrase all the time, but I am afraid it is worth discussing how politicians use it.

Mr. HATCH. As you can see, that is what they are doing. I am glad the Senator brought this up. As I just read, my research found that the term ''red herring'' comes from the sport of fox hunting. Again, a red herring argument is one that distracts the audience from the issue in question through the introduction of some relevancy.

In my view, all of these tax issues that President Obama and those on the other side of the aisle are discussing are red herrings. They want to distract Americans from the real driver of our deficits and debt and the real choices Democrats have to but are refusing to make.

Let me walk through some examples. If we were to raise the depreciable life on corporate Jets from 5 years to 7 years, as the Democrats propose, it would yield us $3.1 billion over 10 years.

Mr. SESSIONS. How many days of debt reduction over that 10-year period would a $3 billion savings or increase in taxes amount to?

Mr. HATCH. To hear the President talk, you would think this is the key to balancing our budget. We all know he is overstating the case. It would provide only a month of debt reduction is about all it would do? Given its essential role in his deficit reduction proposals, you would hope so. But I am sorry to disappoint my friend from Alabama, because, according to our calculations, that amount equates to only 20 hours and 23 minutes of the debt over the next 10 years. Unfortunately, that doesn't even begin to solve the problem. Of course, as you can see here, $13 trillion, the Obama debt; there would be $3.1 billion over time with the corporate jet taxes; and remaining above the debt—assuming they didn't spend more, which is an assumption you can't make—would be $12.9 trillion. Is the problem solved? Of course not.

Mr. SESSIONS. Well, let me say I appreciate the work of the ranking member of the Finance Committee, a longtime member of that committee. It seems to me pretty clear that the President's budget he submitted earlier this year—which I have to say was voted down 97 to 0 in the Senate—would have increased the deficit over 10 years by $13 trillion. He has also suggested his plan to increase taxes on corporate jets by $3 billion would somehow make a difference in that. I think Senator HATCH is right, that is not accurate.

How about other proposals we hear from the Democratic side, such as cutting back mortgage interest deduction for yachts used for second homes?

Mr. HATCH. Well, in other words, by our calculations, the savings from this proposal would be even more meager. If Congress enacted this change, we could cover the debt from the Obama budget for all of 15 hours and 47 minutes. Again, this is not solving the problems of the burdensome debt the President is piling on.

Mr. SESSIONS. It is shocking to see how small those numbers are, and we aren't hearing that in the press and in the national discussions. From the talk we have heard about these proposals, you would think they would yield more than 2 days of debt reduction over 10 years.

Mr. HATCH. You would think so. But the other 3,651 days of debt under the 10-year Obama budget would not even be touched.

There is a third red herring that has been thrown out there. Maybe that one closes the gap. We have all heard the President talk about hitting American oil companies by reducing or eliminating domestic energy incentives. This is a real priority of his and of congressional Democrats.

We had a cloture vote on a bill by our friend from New Jersey to extract $21 billion in revenue from U.S. oil companies. The Finance Committee had a hearing where the other side touted the benefits of this tax increase by grilling the CEOs of the top five oil companies. If you listened to my friends on the other side, one would think an additional $21 billion would solve all our fiscal problems. Their rhetoric suggests this is the only thing standing between more money to send kids to college and provide school lunches.

But I wonder if my friend from Alabama might put into perspective how much of the 10 years of debt under the President's budget this proposal would cover.

Mr. SESSIONS. Well, with $13 trillion—that is 13 thousand billion—$21 billion won't amount to much.

Mr. HATCH. Well, here is how many days of the 10-year debt of the Obama budget that would be covered. Keep in mind, this proposal originated from our friend from New Jersey, the head of the Senate Democratic campaign operation, and his tag teammate, the head of the Senate Democratic message operation—the so-called war room—the senior Senator from New York. I will let others decide whether this proposal was more political than substantive, but people should at least know the facts about this proposal before deciding.

As a deficit reduction proposal, this is very weak tea. This is a much ballyhooed proposal, and it would cover the deficit for, in actuality, 5 days 18 hours and 47 minutes.

As you can see, here is the oil rig proposal. We have a $13 trillion debt—actually it is about a $13.5 trillion debt right now—and you would save $21 billion from the extra taxes on oil and gas. Even at that, we would have a remaining debt of $12.9 trillion. So is the problem solved? Of course not.

Mr. SESSIONS. The Senator has served on the Finance Committee for a number of years and is now the senior ranking Republican there. If you listen to our friends on the other side of the aisle, it would appear that all fiscal problems could be resolved by taxing millionaires. Is that an argument that the Senator is familiar with?

Mr. HATCH. Well, I sure am. Anyone watching C–SPAN will see our friends on the other side making the argument day in and day out. When I hear this argument, I often think of a saying from the distinguished former chairman of the Senate Finance Committee, Senator Russell Long. When talking about tax reform, Senator Long said: Some might reduce the politics to this: ''Don't tax you, don't tax me, tax that fellow behind the tree.''

And since there are a lot more folks who aren't millionaires than are, the Democrats have calculated the politics of class warfare works. All of our problems could be solved if the rich paid their fair share, according to the Democrats. As politics, this might sound—I don't even think it sounds good, but as tax policy and its proposal to reduce our deficits and debt, this is the fourth red herring. It does not come close to fixing the deficit from the Obama budget.

Our friends on the other side frequently cite the Tax Policy Center—or TPC—for tax data. That makes some sense. TPC is a professional think tank that is a joint venture of two center-left think tanks, the Urban Institute and the Brookings Institution. With the exception of its director, Donald Marron, TPC is largely staffed by highly qualified tax professionals who worked in Democratic Treasury Departments and Democratic Hill offices. TPC is a solid professional outfit, but you can't ignore its institutional perspective. To be fair, I would say the same thing about the Heritage Foundation. Their institutional perspective is more likely to line up with folks on my side of the aisle. Nevertheless, I am drawing from TPC data, some of the assumptions with which I might not agree.

According to TPC models and estimates, for 2011, American households earning more than $1 million account for 12 percent of the Nation's pretax income, they pay 19 percent of Federal taxes and carry an average tax rate of 29 percent.

Even more critical from my perspective, these taxpayers also account for 38 percent of all flow-through income. Flow-through income is predominantly earnings from the ownership of small businesses. So raising rates on the rich will squarely hit those who create and expand the small businesses that need to be the engine of our economic recovery.

But let us be clear about something: Higher taxes on these wealthy individuals will not only have adverse economic consequences, it will not even provide the deficit and debt reduction suggested by the left. Even if all the income—every dime they earned, of those earning more than $1 million—were confiscated with a 100-percent rate—with the unlikely assumption of no taxpayer behavioral response—for the year of confiscation, these higher taxes would yield about $893 billion. That would be a one-time confiscation. Surely none of these folks would continue to work, save, or invest in the future if the government were to confiscate all their income. They would have to cover all their other expenses, including State and local taxes, from savings. After taking everything from the folks behind the tree—in this case, the folks earning more than $1 million—how many days of the 10-year Obama budget debt would be eliminated?

Mr. SESSIONS. Well, not many, is my answer to that. But as often as the President talks about taxing the rich or spreading the wealth around as a cure for our fiscal problems, you would think it would balance the budget. But would he get us there?

Mr. HATCH. I say to my friend from Alabama, confiscating all the income from those earning over $1 million does not even fix 1 year of the 10 years of projected Obama debt. It would cover 244 days, 16 hours and 34 minutes. That is it. Not even 1 year.

Look at this. Federal policymakers could kiss that revenue source goodbye after an event such as confiscation. So there you are: $13 trillion. Take the $893 billion. If we took every dime that millionaires make this next year, the $893 billion, we would be down to $12.1 trillion in remaining debt. Is the problem solved? Of course not.

Mr. SESSIONS. Going back to the other chart on taxation and spending under the Obama budget, I would note President Obama's budget raised taxes significantly, increased spending even more, and as a result, over 10 years, created more debt projected than if he had made no budget at all.

Mr. HATCH. That is right.

Mr. SESSIONS. That is a stunning thing. You can talk about raising taxes on American workers, on families, on small businesses and on the wealthy and investors all you want, but this talk is easy. It ignores the root causes of the deficit and debt problem here in Washington: out-of- control spending.

It may sound like a cliche to the American people that Republicans are always talking about out-of-control spending. We wish it were a joke, but sadly, it is true.

Mr. HATCH. I wish it were too. I am surprised about this debate. The press is not pushing Democrats on what a joke their proposals about jets and yachts are, but the American people—the people I represent in Utah—understand these are red herrings. These proposals deal with the President's legacy of debt for less than 2 days—less than 2 days—over the next 10 years. Add in the much-publicized tax hit on the hated oil companies and you get another 5 days.

So after all the demagoguery on jets and yachts and oil companies, you get about 1 week of deficit reduction. And even throwing in a one-time confiscation of all the income for taxpayers earning above $1 million, you can only add 244 days. Add it all up and there is still less than 1 year. All those tax increases don't even get to one-tenth of the debt President Obama will add over the next 10 years.

It is class warfare. We all know that. All the talk from the White House and from our friends on the other side is on behalf of proposals that would address, at best, less than 10 percent of the debt forced on American families by the President's budget.

I ask my friend from Alabama if he might conclude with the classic definition of a red herring.

Mr. SESSIONS. Let's take another look at the definition of red herring on the chart. It says: The name of this fallacy comes from the sport of fox hunting in which a dried, smoked herring, which is red in color, is dragged across the trail of the fox to throw the hounds off the scent. Thus, a ''red herring'' argument is one which distracts the audience from the issue in question through the introduction of some irrelevancy.

Our friends on the other side, using White House talking points, sophisticatedly prepared, appear to have resorted to red herrings with their deficit reduction proposals. They want the American people to think a few easy tax increases on the rich or yacht owners or corporate jet users or oil companies—the people behind the tree—can solve our debt crisis without spending reforms. They hope these red herrings will hide a serious Democratic vulnerability. If they are not going to address spending in a serious way, then massive tax increases on the middle class will be a necessity.

These red herrings are designed to throw those citizens who care deeply about reducing the $13 trillion debt that the President's budget will incur off the trail.

The trail of deficit reduction leads to one of two places: restraining out-of-control spending; or crushing tax relief increases on middle-class families.

Restraining spending is not a red herring. It cuts to the heart of our fiscal problems. It goes to the root of the problem.

The President and his allies need to come clean with the American people. The President so far has refused to present a deficit reduction plan in these negotiations that are going on. He says he has one, but we never see it so it can be scored and analyzed. The White House seems content to produce cheap talking points justifying these red herrings, rather than meaningfully addressing our debt crisis. As I have said before, and will again, this shows a disrespect for the American people.

Our people deserve better. They need honest, fair analyses of the problems we face. I expect they will reward those who talk straight with them and offer serious grown-up efforts to reduce our debt with their support; and I think they will be unhappy once it is realized how little these proposals would impact the huge debt crisis we are now facing.

Mr. HATCH. I thank my colleague for his kind remarks.

I have to say that not only would it not impact it, but it would impact a lot of jobs.

I remember when we did the so-called yacht tax back in the early 1990s, the left thought that was a wonderful thing. We got after all these rich yacht owners. When they found out that thousands and thousands of jobs were lost because of that bill, they immediately turned tail and got rid of the bill pretty quickly.

What we haven't said is we are assuming the $13 trillion is going to stay the same. Actually, in the next 10 years there is a good chance it will double to over $20 trillion and possibly as high as $25 trillion or $26 trillion the way this administration is spending. Frankly, we are going to have a very difficult time ever coming out of this hole we are in right now.

All I can say is I like the President personally, but he hasn't presented a program. He is calling on Congress to do it all, and we have our various problems here in getting together, but he hasn't led out on these programs, and neither have the other people down at the White House.

In fact, one of the problems is I can't name one person at the White House who has ever created a private-sector job. And let's face it, they are good at creating public-sector jobs, but they are not very good at creating private-sector jobs.

The real answer is to work our way out of them, and instead of talking about shared sacrifice, let's talk about shared prosperity by allowing the engine of this economy, the small business community, to pull us out.

Even so, we haven't even talked about the fact that the deficit this year, in 1 year, is $1.5 trillion, $1.6 trillion. I might add that we are going to have at least probably close to $1 trillion deficit every year under the President's own actuarial program, every year up through 2020. You can imagine how we are going to continue to increase the debt without doing anything about it. Frankly, that is if his actuaries are right, and they are usually always wrong on the low side. That includes actuaries on both sides, to be honest with you. The expenses have always been more.

I think what is important here is that we get real about working together and coming up with a way of resolving these tremendous debt problems. The future of our young people in this country depend on that, and I don't want to let them down.

I want to thank my colleague for his colloquy with me and I appreciate it very much.

Mr. President, I yield the floor.

The PRESIDING OFFICER. The Senator from South Dakota.

Mr. JOHNSON of South Dakota. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

The PRESIDING OFFICER. The Senator from New Jersey.

Mr. MENENDEZ. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MENENDEZ. Mr. President, I came to the floor. I heard an interesting colloquy going on between my colleagues, my friend from Utah and my friend from Alabama, and I saw that my name was invoked, so I thought I would come to the floor and maybe elucidate for them and set the record a little bit straight.

No. 1 is I am no longer the chairman of the Democratic Senatorial Campaign Committee, so my focus in ending the tax breaks that the big five oil companies in this country get to the tune of $21 billion that the taxpayers of this country give in essence to big five oil companies that will make $144 billion in profits this year I simply think don't need it in order to be able to achieve what the marketplace has allowed them to do. And I am happy for them. I am happy for all their stockholders and shareholders and everyone else, but they don't need $21 billion of the taxpayers' money and tax break—which, by the way, they describe them as these poor oil companies that, wow, we are going to stop domestic production.

One of the breaks I want to finish actually says you can't be doing what you are doing. Here in the United States, when you get access to the lands and waters to drill for oil and gas, you pay a royalty. Basically, a royalty is a license fee.

The oil companies figured out, Well, when I do this in other countries in the world, instead of paying a license fee, let me ask them to pay a tax for the same amount that it would have cost to pay a license fee. Because then I get the tax and I get to deduct it totally against my obligations here in the United States, which means that for those poor oil companies that I just heard about, we are, in essence, as taxpayers, subsidizing the exploration of foreign oil which goes on a world marketplace—does not come back to the United States—to the tune of $21 billion.

If we want to talk about the poor, I want to talk about poor people whom Republicans, it seems, want to go after. They want to go after in their budget the things people need to get through every day. It is called Medicare for seniors and the disabled. I know it from my mother's own life. She worked in the factories of New Jersey, worked a lifetime to help build family and community. She had a terrible disease, Alzheimer's, and she would not have lived with the dignity she deserved in the twilight of her life but for what my sister and I were able to do for her and Medicare as her baseline of retirement security. That is what I call poor.

I call poor, young children who, under Medicaid, are getting money for specific health care that through no fault of their own they desperately need in order to have the quality of life—to even be able to breathe, children with respiratory ailments—so they can fulfill their God-given potential in school. That is poor.

But oil companies that are going to make $144 billion in profits, they are poor? Give me a break. I know we belittle the fact that it is only $21 billion that we would put directly to deficit reduction, but if we start putting in those $21 billion and then put in the billions in ethanol subsidies and then the horse racing industry and the corporate jets and we start adding it all up, maybe if, instead of working-class and middle-class working families whom our Republican colleagues in the Congress seem to want to put all the emphasis on, if we talked about the wealthiest people in the country and said to them: We need you to help the country get out of this difficult time, they, I think, would be incredibly patriotic.

I have talked to a lot of wealthy people who told me if it is to help the country and if we are going to get our house in order, I am willing to help the country. I am willing to pay a little bit more.

But, no, that is not possible to even talk about. It is not possible to talk about big oil companies that are going to make record profits. It is not possible to talk about ethanol. It is not possible to talk about the wealthiest in the country, millionaires, multi-millionaires, and billionaires. Yet I did not hear any of these voices when Ronald Reagan raised the debt ceiling 17 times for the equivalent of $4 trillion in today's money. I never heard any of these voices say how irresponsible it was when George Bush raised it seven times, for $5 trillion—basically, the same amount of money he used to give tax cuts to the wealthiest people in the country but which became the collective debt of the United States. No, I did not hear any of it then.

I had no intention of coming to the floor. But when the facts are wrong and my name is invoked, I intend to come and set the record straight. I am happy to debate my colleagues. We need to make sure working-class, middle-class families in this country do not bear the overwhelming consequences of our effort to end our deficits and meet our obligations. We cannot continue to hear we cannot close the loopholes in the Tax Code for the poor oil companies, poor corporate jets, poor multi-millionaires and billionaires, all because that would somehow be a tax increase, but we can take it right out of the pockets of middle-class and poor families by virtue of the services we deny them—so they will not have the money to be able to produce or scrounge or keep what little they have been able to acquire—and say that somehow is not a tax increase.

I hear about entitlements all the time. I have a new sense of what my Republican colleagues mean by entitlements. The oil companies are entitled to their $21 billion. Those are just two provisions. I could come up with a whole bunch of others for which they get tax breaks. The oil companies are entitled. The ethanol producers, they are entitled. The large agribusinesses in the country, they are entitled. But families who struggle every day to make ends meet? No, they are not entitled. We have to cut their entitlements.

Something is wrong with that equation. A nation, at the end of the day, in its budget, talks about its values as a country. We all have a budget. We may not think about it as a budget in our personal lives, but it is income, however we derive it, through gainful employment, the job we have, maybe some investments we make, maybe some interests we get from our savings. That is our revenue. Then there are our expenditures. The house we keep for our family, the insurance we provide for their health care, the education, the tuition we pay for the education we want them to achieve, the church or synagogue we tithe to, the charitable contribution we make to an organization that we believe is worthy of the work we do, that is an expression of our personal values.

The Nation's budget, which is both revenues and expenditures, is an expression of our collective values as a country. I cannot understand, in that expression of collective values, how it is that the very wealthy, that the very influential, that Big Oil is entitled but working-class families and the poorest among us are not entitled to realize their hopes, dreams, and aspirations in the greatest country on the face of the Earth.

Anyhow, I wanted to come, since I heard my name invoked before. I think the facts were not quite up to par. There is, obviously, a different view.

Having had the opportunity to set the record straight, I yield the floor.

I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. CARDIN). The clerk will call the roll.

The assistant bill clerk proceeded to call the roll.

Mr. TOOMEY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. MERKLEY). Without objection, it is so ordered.

HOUSE ACTION

Mr. TOOMEY. Mr. President, I wanted to take this occasion to acknowledge a very important event that occurred last night. It occurred in the other body, where we had a vote for the first time since we have been deliberating and debating and wrestling with this challenge of what to do with our debt limit and the fact we have reached that debt limit. We have had a vote by one of the two bodies that have a say in this matter on this very issue, and the House voted yesterday by a significant margin, with a bipartisan vote—although it was mostly one-sided, there were Members of both parties—in favor of raising the debt limit. The House voted to raise the debt limit, in fact, by the full amount the President requested. The House voted to raise the debt limit by $2.4 trillion, which would completely eliminate this problem, this struggle we have had over this looming deadline we have been given.

However, the vote came with one condition. It came with the condition that the President join Congress in putting our Federal Government on a path to a balanced budget. That is the requirement. That is the contingency. The way the House bill achieves that is by establishing three parts: The first is cuts in spending, the second part is caps on spending, and the third is a balanced budget amendment to the Constitution. The colloquial name this approach has been given is the ''cut, cap, and balance'' approach.

This is a big deal because until last night, among the three parties to this debate—the House of Representatives, the Senate, and the President—nobody had previously laid out a case that said: Here is how we will raise this debt limit and deal with this problem. The House has now done so. They have passed this measure by a significant margin.

I would like to quickly walk through the three elements of it—the cuts, the caps, and the balance. They are really all different pieces designed to achieve one goal, which is to put our Federal budget on a path to balance.

The cut refers to cuts in spending in this next fiscal year, which begins soon. It begins on October 1. The cut is 3 percent from this year's spending level—3 percent. So under the House-passed plan, next year we would spend 97 percent of everything we are spending this year, but we would cut 3 percent. Now, anybody who has run a business, anybody who has run a household knows that if you have to, you can cut 3 percent from any big budget. I guarantee you, from the enormously bloated and oversized $3.7 trillion U.S. Government budget, 3 percent is not much, but that is the cut. That is the first part. That is the level of spending for next year—about 3 percent or $111 billion.

The next part is the caps. These are the statutory limits as to how much the Federal Government would be permitted to spend in each of the subsequent years for the next 10 years. These levels have spending growth every year. Some suggest these are Draconian, savage cuts in spending. Actually, it is increases, but it is increases in spending at a slower rate than we have had in the past and certainly slower than what others have proposed—what the President's budget proposed and what the Congressional Budget Office is expecting. Therein lies savings. Therein lies the opportunity to put us on a path to a balanced budget because I think we all acknowledge that, unfortunately, we are not going to be able to achieve a balanced budget overnight. Can't do it. We have dug too deep a hole. So we need a little time to get there. The spending caps provide that discipline as we move in that direction.

The final piece is a balanced budget amendment to the Constitution, which is something most Americans have strongly supported for a long time. If we achieve that, frankly, we would never have to worry about raising the debt limit anymore because we wouldn't run a deficit. We would be forbidden. Without a deficit, you don't need to issue a new debt, so the debt would never rise, and this problem would be permanently resolved, but much more important, we would have our Federal Government on a sustainable, strong, viable fiscal path, and that would create the opportunity for strong economic growth.

I am convinced that part of the reason we are having such a weak economy and such poor job growth is because of the uncertainty we have created not so much over whether we are going to raise the debt limit on August 1 or 2 or 3 or whenever it is but whether we are going to solve the big fiscal challenge we face, the problems dragging down Europe now, and the problems that loom for us.

The President and the Treasury Secretary have been extremely alarmed about the prospect that we might not raise the debt limit on August 2. To that very point, the Treasury Secretary said—and I quote from a May 13 letter he sent to Members of Congress:

> This would be an unprecedented event in American history.

He is referring to a failure to raise the debt limit.

> A default would inflict catastrophic, far-reaching damage on our Nation's economy, significantly reducing growth, and increasing unemployment.

President Obama had a similar message of great alarm, again referring to a scenario in which we did not raise the debt limit by August 2. He said:

> If investors around the world thought that the full faith and credit of the United States were not being backed up, if they thought that we might renege on our IOUs, it could unravel the entire financial system . . . We could have a worse recession than we already had, a worse financial crisis than we already had.

So this is how serious the President and the Treasury Secretary say their concern is that we raise the debt limit. Well, the House just did it. The House said: Mr. President, we hereby vote—and they did vote—to raise the debt limit by $2.4 trillion, the full amount the President asked for. They have said this is the only condition: You, Mr. President, need to join us in putting our budget on a path to balance, taking care of this fiscal crisis, and giving us a sustainable fiscal footing so we can have strong economic growth.

So the question today before us is, Will the President join us? Will the President embrace this? The President, as I have just quoted, has indicated great alarm at the prospect of not getting the debt limit increase he has asked for. The House has just said: Here it is.

Actually, I think, if not every Republican Senator, a big majority of Republican Senators will support what the House has done. I hope there will be many Democrats who will support this as well because none of us wants to test the proposition of what happens if we don't raise the debt limit.

So the opportunity is here now. For the first time, we have a bill that has been passed in one of these two bodies that would do exactly what the President has asked for, with just this one condition.

Let me comment for a moment on one of the reasons I think it is so important that the President join us in putting our budget on a path to balance. We have heard from various rating agencies that several of them are considering downgrading the credit standing of the United States. This is an appalling thought.

I was involved in the bond market in my first career when I got out of college, and the United States stood above